

# News

United States  
Department  
of Labor



Bureau of Labor Statistics

Philadelphia, Pa. 19106-3305

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**PLS - 4008**

**FOR RELEASE:**

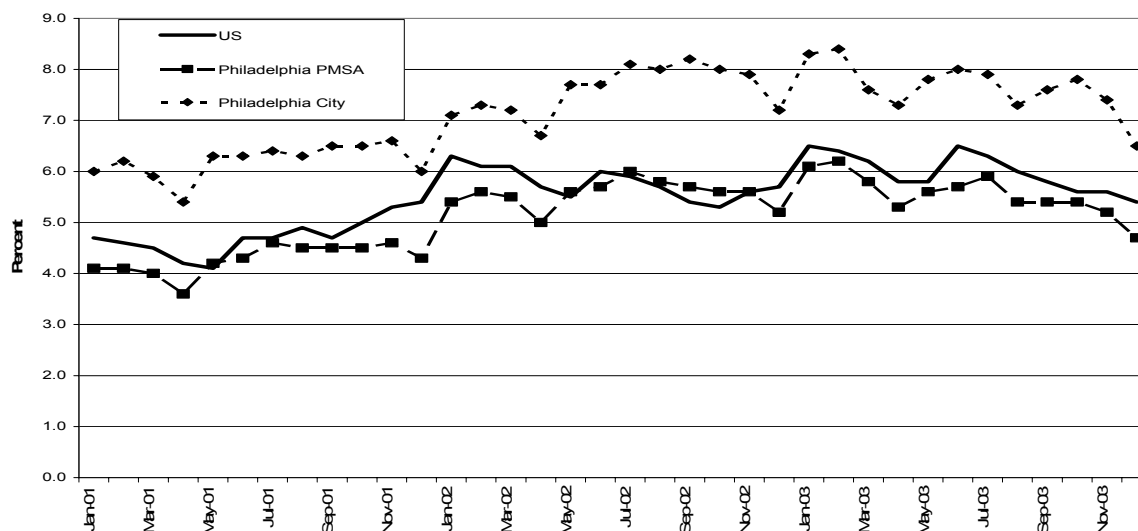
**TUESDAY, MARCH 2, 2004**

## **PHILADELPHIA AREA UNEMPLOYMENT RATE FALLS TO 4.7 PERCENT IN DECEMBER; JOB COUNT RISES BY 15,500 FROM A YEAR AGO**

The unemployment rate for the Philadelphia, Penn.-N.J. metropolitan area<sup>1</sup> was 4.7 percent in December, down 0.5 percentage point from a year ago, and below the 5.4 percent rate for the nation, the Bureau of Labor Statistics of the U.S. Department of Labor reported today. The Philadelphia area's jobless rate has been equal to or below the national average every month in 2003. (See chart 1 and table 1. All data in this release are not seasonally adjusted; accordingly, over-the-year analysis is used throughout.)

Total nonfarm employment for the Philadelphia area stood at 2,450,800 in December, 15,500, or 0.6 percent, above its year-ago level. Over the same period, the nation lost 55,000 jobs—the smallest over-the-year decline in 2 ½ years. Regional Commissioner Sheila Watkins noted that the area's rate of job growth was at its highest level since April 2001. From September 2001 through July 2003, Philadelphia's annual job growth was relatively flat with minimal expansion or contraction ( $\pm 0.2$  percent). Only in the latter half of 2003 did the job growth rate moved outside of this range. Nationally, the pace of job loss peaked at 1.5 percent in both February and March 2002 and has slowed steadily since that time, registering losses of less than one-half percent for more than a year.

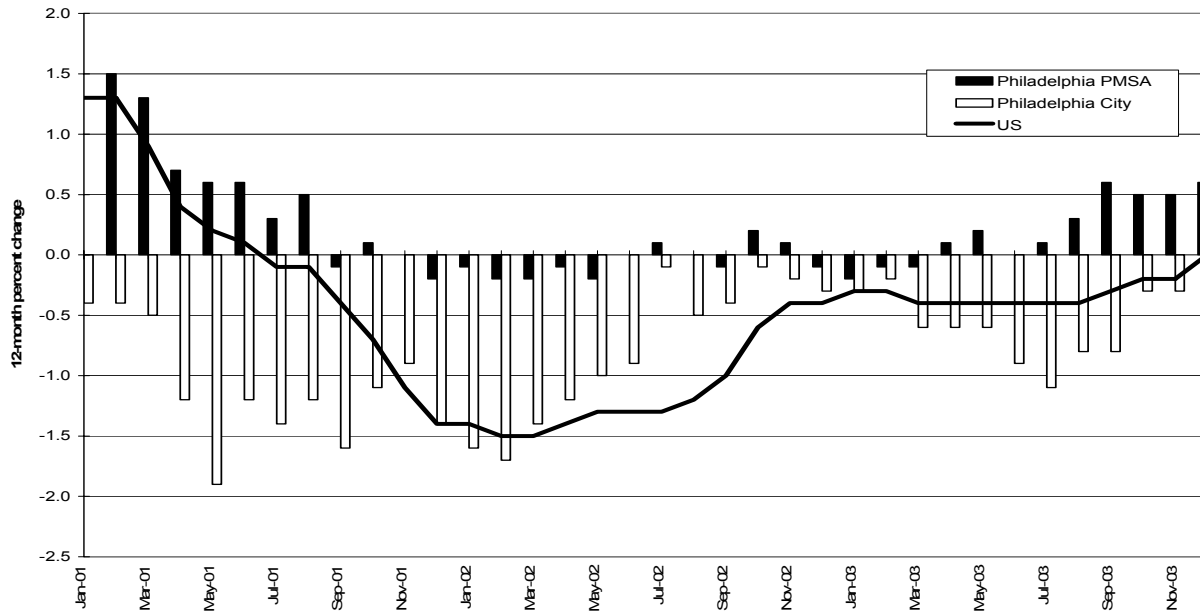
Chart 1. Unemployment rates in the United States, Philadelphia area, and Philadelphia City, January 2001-December 2003



<sup>1</sup> The Philadelphia metropolitan area referenced in this release is the Philadelphia Primary Metropolitan Statistical Area (PMSA) consisting of Bucks, Chester, Delaware, Montgomery, and Philadelphia Counties in Pennsylvania; and Burlington, Camden, Gloucester, and Salem Counties in New Jersey. Philadelphia County is comprised solely of Philadelphia City and will be referred to as such in the text.

In the Philadelphia metropolitan area as a whole, growth was widespread among the various industry divisions; however, nearly two-thirds of the latest increase reflected continuing expansion in educational and health services, which added 9,900 jobs between December 2002 and 2003. Other bright spots included leisure and hospitality; other services; professional and business services; and construction and mining, all of which added to their job count over the last 12 months. Manufacturing was the only industry division in the Philadelphia area to lose jobs between December 2002 and 2003, while employment levels in financial activities; trade, transportation, and utilities; government; and information were all essentially unchanged from the previous year. (See table 2.)

Chart 2. Total nonfarm employment, over-the-year percent change in the Philadelphia area and the United States, January 2001-December 2003



### Unemployment in the Philadelphia area

Over the last several years, the Philadelphia area's unemployment rate has closely tracked that of the nation. During 2003, the rate differential was generally small, varying by one-half percentage point or less in 10 of the 12 months. The jobless rate for Philadelphia City, on the other hand, has been consistently higher than the U.S. rate, a number of times by more than two percentage points. In 2003, the differential ranged from 2.2 percentage points in October to 1.1 percentage points in December.

The Philadelphia metropolitan area consists of five counties in Pennsylvania and four counties in New Jersey. Though geographically close to one another, these nine counties highlight the sometimes large differences in unemployment rates that can exist across the components of an economically cohesive metropolitan area. Within the Philadelphia area, Philadelphia City had the highest jobless rate in December at 6.5 percent. (See table A.) Chester County had the lowest rate at 3.0 percent, followed by Montgomery County (3.6 percent), Bucks County (3.9 percent), and Delaware County (4.1 percent). Philadelphia City was the only county in the Pennsylvania portion of the metropolitan area with an unemployment rate higher than the 4.7 percent recorded for the metropolitan area as a whole. In the New Jersey portion, only Burlington County (4.3 percent) posted a jobless rate lower than the metropolitan area average. After Philadelphia City, the other three counties in New Jersey had the highest unemployment rates in the metropolitan area—Salem (6.3 percent), Camden (5.5 percent), and Gloucester (6.3 percent). Compared with a year earlier, jobless rates in three of New Jersey's four counties—Burlington, Gloucester, and Camden--were essentially unchanged. The remaining six counties had declines in their rates ranging from 0.4 to 0.7 percentage point. (See table A.)

Table A. Major indicators of labor market activity, Philadelphia metropolitan area and geographic components, not seasonally adjusted

	Dec. 2002	Sept. 2003	Oct. 2003	Nov. 2003	Dec. 2003	Net change from Dec. 2002 to Dec. 2003p
<b>Household Data</b>	<b>Unemployment Rates (in percent)</b>					
United States	5.7	5.8	5.6	5.6	5.4	-0.3
Philadelphia, PA-NJ PMSA	5.2	5.4	5.4	5.2	4.7	-0.5
Bucks County, PA	4.3	4.3	4.3	4.3	3.9	-0.4
Chester County, PA	3.6	3.4	3.5	3.3	3.0	-0.6
Delaware County, PA	4.6	4.7	4.9	4.7	4.1	-0.5
Montgomery County PA	4.1	4.1	4.1	4.0	3.6	-0.5
Philadelphia City, PA	7.2	7.6	7.8	7.4	6.5	-0.7
Burlington County, NJ	4.4	4.6	4.4	4.4	4.3	-0.1
Camden County, NJ	5.7	6.0	5.8	5.7	5.5	-0.2
Gloucester County, NJ	5.1	5.4	5.0	5.1	5.0	-0.1
Salem County, NJ	6.9	6.1	5.7	5.9	6.3	-0.6
<b>Establishment Data</b>	<b>Nonfarm employment (in thousands)</b>					
United States	130,933	130,135	130,924	131,071	130,878	-55.0
Philadelphia, PA-NJ PMSA	2,435.3	2,417.3	2,432.3	2,446.7	2,450.8	15.5
Philadelphia City	686.8	675.7	682.6	685.9	684.6	-2.2
Surrounding Counties	1,748.5	1,741.6	1,749.7	1,760.8	1,766.2	17.7

p=preliminary.

NOTE: Philadelphia City comprises all of Philadelphia County. Surrounding counties refers to all counties in the Philadelphia metropolitan area except Philadelphia County/City.

### Employment in the Philadelphia Area

Employment in the Philadelphia metropolitan area was up by 15,500 between December 2002 and 2003, the ninth consecutive month of over-the-year growth. The recent employment increase pushed the total job count to over 2.4 million, 0.6 percent more than a year before, but well below the peak increase of 63,500 jobs between August 1997 and 1998. All of the recent advance occurred in the eight counties surrounding Philadelphia City. In fact, the city of Philadelphia has failed to add jobs over-the-year in any month since September 2000.

Nearly two out of every three new jobs area-wide were in educational and health services. Employment in this industry rose by 9,900 from December 2002 to December 2003 in the metropolitan area. The advance represented a 2.2-percent increase—the 49th consecutive monthly over-the-year advance in this industry. Nearly four out of five new educational and health services jobs in December 2003 were located in the surrounding counties.

The other services industry, which includes equipment and machinery repairing, promoting or administering religious activities, grantmaking, advocacy, and such services as providing drycleaning and laundry, personal care, death care, pet care, photofinishing, temporary parking, and dating, rose by 2,600 in the Philadelphia area, an increase of 2.4 percent—marking more than six years of uninterrupted over-the-year advances in this industry beginning in July 1997. Nearly all of the December 2002 to December 2003 increase occurred in the surrounding counties. Jobs in leisure and hospitality also rose by 2,600 in the Philadelphia area, an increase of 1.5 percent—the 108th straight over-the-year advance, surpassing all other industries. Again, most of the recent advance in leisure and hospitality occurred in the surrounding counties.

Employment in both construction and mining and professional and business services rose by 2,300 in the metropolitan area between December 2002 and December 2003. These advances represented increases of 2.3 and 0.7 percent, respectively. All of the recent advance in construction and mining, and most of the increase in professional and business services, occurred in the counties surrounding Philadelphia City.

Trade, transportation, and utilities, the largest industry sector in the Philadelphia area accounting for one-fifth of all employment, was essentially unchanged from December a year ago, as gains in the surrounding counties were nearly offset by declines in the city. The city's loss represented a 1.8-percent drop in employment in the trade, transportation, and utilities industry—the tenth consecutive month of over-the-year declines in this industry. Financial activities employment exhibited a similar pattern over the year, as job gains in the surrounding counties were nearly offset by declines in the city. The city's loss represented a 4.2-percent drop in employment in financial activities—the 33rd month of consecutive over-the-year declines. There were fewer than 50,000 financial activities jobs in the city in December 2003, less than one-third of the Philadelphia area's count in this industry.

Public sector employment in the Philadelphia area in December 2003 was essentially unchanged from the previous year. In fact, over the last ten years, government, more often than not, has been a low-growth or negative-growth industry. And 2003 was no exception, with six of the last twelve months registering over-the-year losses, while the other six grew less than 1.0 percent.

Manufacturing employment fell by 5,200 from December 2002 to December 2003 in the metropolitan area—the 37th consecutive over-the-year decline in this industry. In both manufacturing sectors—nondurables and durables—job declines were heaviest in the surrounding counties. Overall, there were 230,200 factory jobs in the Philadelphia area in December 2003. Since December 1990, the first year this data series was available, the manufacturing industry lost 83,000 jobs in the Philadelphia area, 30,000 in Philadelphia City.

#### Unemployment in the 30 largest metropolitan areas

The Philadelphia area is one of six large metropolitan areas in the Northeast region of the United States. In addition to Philadelphia, with an unemployment rate of 4.7 percent in December, four other Northeastern areas—Boston, Mass.; Nassau-Suffolk, N.Y.; Newark, N.J.; and Pittsburgh, Penn.—had rates roughly equal to or below the national average of 5.4 percent. At 4.1 percent, Nassau-Suffolk's rate was lowest in the region. The remaining metropolitan area in the Northeast, New York, N.Y., had the highest rate in the region, as well as among the 30 largest areas nationally, at 7.2 percent in December. Compared with a year earlier, jobless rates in only two of the Northeast's metropolitan areas (Nassau-Suffolk and Boston) were unchanged (or essentially the same), while the other four areas recorded a drop in their rates.

Among the other three regions of the country, the South had the metropolitan area with the lowest jobless rate among the top 30, Washington, D.C.-Md.-Va.-W.Va., at 3.0 percent. Tampa-St. Petersburg-Clearwater, Fla., had the second lowest rate in the South and fourth lowest overall, at 3.7 percent. All together, five of the eight metropolitan areas in the South had jobless rates below the national average. The West region contained the areas with the second and third lowest rates, Orange County, Calif., and San Diego, Calif. (3.2 and 3.6 percent, respectively), as well as the area with the second highest rate, Portland-Vancouver, Ore.-Wash. (7.0 percent). Variations in the unemployment rates for the six areas in the Midwest were not as wide, ranging from 4.1 percent in Minneapolis-St. Paul, Minn.-Wis., to 6.7 percent in Detroit, Mich.

Of the 22 metropolitan areas with over-the-year decreases in their unemployment rates, 13 experienced declines of at least one-half percentage point in December. Although each region had at least one area with a sizable decrease, nearly half (six) were located in the West. Both the Northeast and South had three each, while only one was located in the Midwest. Phoenix-Mesa, Ariz., in the West, and Atlanta, Ga., in the South, reported the largest over-the-year rate decreases (-1.2 points each), followed closely by San Francisco, Calif. (-1.1 points). Detroit, Mich. (1.0 percentage point), was the only large area that registered a rate increase greater than 0.3-percentage point from a year earlier.

#### Employment in the 30 largest metropolitan areas

Philadelphia was one of three metropolitan areas in the Northeast not to lose jobs over the year, though the 0.6-percent rate of gain was not quite as strong as the 0.9-percent growth registered in Newark. Employment in Nassau-Suffolk was little changed (up 0.2 percent) in December. The three remaining metropolitan areas in the Northeast suffered over-the-year job losses. Employment was down 1.7 percent in Boston, 0.9 percent in Pittsburgh, and 0.3 percent in New York. Boston's decline was the largest among the top 30 metropolitan areas.

Of all the regions, the Midwest was the only one to suffer over-the-year job losses in each of its large metropolitan areas. These losses ranged from 1.1 percent in Kansas City to 0.3 percent in St. Louis. Job declines were slightly steeper in the West, but not as pervasive, with Portland-Vancouver and San Francisco losing 1.3 and 1.1 percent of their jobs, respectively. Employment decreased or was little changed in five other areas in the West over the year, but was up in the remaining three: Phoenix-Mesa, Ariz. (2.5 percent); Riverside-San Bernardino, Calif. (1.4 percent); and Denver, Colo. (0.9 percent). In the South, job losses were concentrated in Texas, with Fort Worth-Arlington and Dallas shedding 0.6 and 0.3 percent of their jobs, respectively. Employment was virtually unchanged over the year in Houston, Texas, and was up in the other five areas, led by a 3.1-percent increase in Atlanta, Ga., the highest growth rate among the 30 largest metropolitan areas. Washington D.C.-Md.-Va.-W.Va., had the second-highest rate of expansion in the South at 1.4 percent, followed by Tampa-St. Petersburg-Clearwater, Fla. (1.0 percent), Miami, Fla. (0.9 percent), and Baltimore, Md. (0.8 percent).

Table 1. Employment status of the civilian noninstitutional population, United States, Philadelphia PMSA, and Philadelphia City, not seasonally adjusted

Area and Employment Status	Dec. 2002	Oct. 2003	Nov. 2003	Dec. 2003(p)	Change from Dec. 2002 to Dec. 2003 (p)
<b>United States</b>					
Civilian labor force	144,807,000	146,787,000	146,969,000	146,501,000	1,694,000
Unemployed	8,209,000	8,169,000	8,269,000	7,945,000	-264,000
Unemployment rate	5.7	5.6	5.6	5.4	-0.3
<b>Philadelphia, PA-NJ PMSA</b>					
Civilian labor force	2,653,797	2,642,612	2,650,742	2,645,028	-8,769
Unemployed	138,410	141,893	138,021	125,179	-13,231
Unemployment rate	5.2	5.4	5.2	4.7	-0.5
<b>Philadelphia City</b>					
Civilian labor force	681,278	676,252	677,400	672,075	-9,203
Unemployed	49,106	52,613	50,075	43,550	-5,556
Unemployment rate	7.2	7.8	7.4	6.5	-0.7

NOTE: Data refer to place of residence. All estimates are provisional and will be revised when new benchmark and population information becomes available. Changes in levels were calculated using unrounded numbers.

Table 2. Employees on nonfarm payrolls by industry, United States, Philadelphia PMSA, Philadelphia City, and surrounding counties, not seasonally adjusted (numbers in thousands)

Area and Industry	Dec. 2002	Oct. 2003	Nov. 2003	Dec. 2003(p)	Change from Dec. 2002 to Dec. 2003 (p)	
					Number	Percent
<b>United States</b>						
Total nonfarm	130,933	130,924	131,071	130,878	-55.0	0.0
Natural Resources & Mining	575	582	579	569	-6.0	-1.0
Construction	6,613	6,966	6,877	6,703	90.0	1.4
Manufacturing	14,919	14,398	14,374	14,336	-583.0	-3.9
Trade, Transportation, & Utilities	26,068	25,382	25,687	25,881	-187.0	-0.7
Information	3,302	3,159	3,177	3,190	-112.0	-3.4
Financial Activities	7,900	7,981	7,972	7,974	74.0	0.9
Professional & Business Services	15,841	16,283	16,232	16,142	301.0	1.9
Education & Health Services	16,551	16,848	16,912	16,885	334.0	2.0
Leisure & Hospitality	11,823	12,089	11,925	11,929	106.0	0.9
Other Services	5,384	5,379	5,374	5,365	-19.0	-0.4
Government	21,957	21,857	21,962	21,904	-53.0	-0.2
<b>Philadelphia PMSA</b>						
Total nonfarm	2,435.3	2,432.3	2,446.7	2,450.8	15.5	0.6
Construction & Mining	99.6	105.0	104.2	101.9	2.3	2.3
Manufacturing	235.4	228.7	228.9	230.2	-5.2	-2.2
Trade, Transportation, & Utilities	488.8	472.2	481.9	489.1	0.3	0.1
Information	61.4	61.3	61.3	61.5	0.1	0.2
Financial Activities	176.8	176.2	176.2	177.1	0.3	0.2
Professional & Business Services	328.4	331.5	331.7	330.7	2.3	0.7
Education & Health Services	446.2	455.3	457.9	456.1	9.9	2.2
Leisure & Hospitality	175.0	179.3	178.5	177.6	2.6	1.5
Other Services	108.6	110.6	111.2	111.2	2.6	2.4
Government	315.1	312.2	314.9	315.4	0.3	0.1
<b>Philadelphia City</b>						
Total nonfarm	686.8	682.6	685.9	684.6	-2.2	-0.3
Construction & Mining	11.9	11.9	11.6	11.3	-0.6	-5.0
Manufacturing	37.2	36.0	36.1	36.1	-1.1	-3.0
Trade, Transportation, & Utilities	101.6	97.0	98.9	99.8	-1.8	-1.8
Information	17.2	16.9	17.1	17.0	-0.2	-1.2
Financial Activities	50.6	48.5	48.4	48.5	-2.1	-4.2
Professional & Business Services	87.2	88.5	88.1	87.8	0.6	0.7
Education & Health Services	180.4	183.0	184.3	182.5	2.1	1.2
Leisure & Hospitality	53.2	54.2	54.2	54.1	0.9	1.7
Other Services	29.9	30.2	30.3	30.3	0.4	1.3
Government	117.6	116.4	116.9	117.2	-0.4	-0.3
<b>Surrounding Counties</b>						
Total nonfarm	1,748.5	1,749.7	1,760.8	1,766.2	17.7	1.0
Construction & Mining	87.7	93.1	92.6	90.6	2.9	3.3
Manufacturing	198.2	192.7	192.8	194.1	-4.1	-2.1
Trade, Transportation, & Utilities	387.2	375.2	383.0	389.3	2.1	0.5
Information	44.2	44.4	44.2	44.5	0.3	0.7
Financial Activities	126.2	127.7	127.8	128.6	2.4	1.9
Professional & Business Services	241.2	243.0	243.6	242.9	1.7	0.7
Education & Health Services	265.8	272.3	273.6	273.6	7.8	2.9
Leisure & Hospitality	121.8	125.1	124.3	123.5	1.7	1.4
Other Services	78.7	80.4	80.9	80.9	2.2	2.8
Government	197.5	195.8	198.0	198.2	0.7	0.4

p = preliminary.

NOTE: Data are counts of jobs by place of work. Estimates are currently projected from March 2002 benchmark levels. Estimates subsequent to the current month are provisional and will be revised when new information becomes available. Changes in levels were calculated using unrounded numbers.

Table 3. Unemployment rates, 30 large metropolitan areas, not seasonally adjusted

Area	Dec. 2002	Oct. 2003	Nov. 2003	Dec. 2003(p)	Change from Dec. 2002 to Dec. 2003(p)
<b>Northeast</b>					
Boston, MA-NH PMSA	4.6	4.9	4.6	4.5	-0.1
Nassau-Suffolk, NY PMSA	4.1	4.0	4.1	4.1	0.0
New York, NY PMSA	7.6	7.6	7.2	7.2	-0.4
Newark, NJ PMSA	5.8	5.8	5.5	5.1	-0.7
Philadelphia, PA-NJ PMSA	5.2	5.4	5.2	4.7	-0.5
Pittsburgh, PA MSA	5.5	4.7	4.8	4.6	-0.9
<b>South</b>					
Atlanta, GA MSA	5.2	4.5	4.1	4.0	-1.2
Baltimore, MD PMSA	4.4	4.6	4.7	4.6	0.2
Dallas, TX PMSA	6.4	6.4	6.3	6.0	-0.4
Fort Worth-Arlington, TX PMSA	5.6	5.7	5.6	5.3	-0.3
Houston, TX PMSA	5.6	6.3	6.3	5.9	0.3
Miami, FL PMSA	7.0	6.8	6.7	6.1	-0.9
Tampa-St. Petersburg-Clearwater, FL PMSA	4.3	4.2	4.1	3.7	-0.6
Washington, DC-MD-VA-WV PMSA	3.2	3.1	3.1	3.0	-0.2
<b>Midwest</b>					
Chicago, IL PMSA	6.6	6.3	6.5	6.3	-0.3
Cleveland-Lorain-Elyria, OH PMSA	6.0	5.7	5.9	6.2	0.2
Detroit, MI PMSA	5.7	7.1	6.6	6.7	1.0
Kansas City, MO-KS MSA	5.6	5.5	5.3	5.1	-0.5
Minneapolis-St. Paul, MN-WI MSA	3.8	4.3	4.1	4.1	0.3
St. Louis, MO-IL MSA	5.5	5.4	5.4	5.2	-0.3
<b>West</b>					
Denver, CO PMSA <sup>1</sup>	5.9	5.5	5.8	5.9	0.0
Los Angeles-Long Beach, CA PMSA	6.1	7.0	6.7	6.1	0.0
Oakland, CA PMSA	5.9	5.9	5.7	5.1	-0.8
Orange County, CA PMSA	3.9	3.8	3.7	3.2	-0.7
Phoenix-Mesa, AZ MSA	5.3	4.5	4.1	4.1	-1.2
Portland-Vancouver, OR-WA PMSA	7.1	7.4	7.2	7.0	-0.1
Riverside-San Bernardino, CA PMSA	5.7	6.1	5.9	5.2	-0.5
San Diego, CA MSA	4.2	4.3	4.1	3.6	-0.6
San Francisco, CA PMSA	5.5	5.3	5.0	4.4	-1.1
Seattle-Bellevue-Everett, WA PMSA	6.2	6.5	6.3	6.1	-0.1

<sup>1</sup> Data for 2003 are not directly comparable with data for previous years because of a change in metropolitan area definitions.

(P) = preliminary

NOTE: Data refer to place of residence. All estimates are provisional and will be revised when new benchmark and population information becomes available.

Table 4. Employees on nonfarm payrolls, 30 large metropolitan areas, not seasonally adjusted (numbers in thousands)

Area	Dec. 2002	Oct. 2003	Nov. 2003	Dec. 2003(p)	Change from Dec. 2002 to Dec. 2003 (p)	
					Number	Percent
<b>Northeast</b>						
Boston, MA-NH PMSA	1,985.5	1,948.6	1,950.3	1,951.1	-34.4	-1.7
Nassau-Suffolk, NY PMSA	1,234.9	1,227.2	1,232.5	1,236.8	1.9	0.2
New York, NY PMSA	4,160.1	4,100.7	4,128.9	4,148.4	-11.7	-0.3
Newark, NJ PMSA	1,020.1	1,022.3	1,026.9	1,029.4	9.3	0.9
Philadelphia, PA-NJ PMSA	2,435.3	2,432.3	2,446.7	2,450.8	15.5	0.6
Pittsburgh, PA MSA	1,123.9	1,119.4	1,118.5	1,113.4	-10.5	-0.9
<b>South</b>						
Atlanta, GA MSA	2,181.9	2,245.7	2,252.5	2,249.8	67.9	3.1
Baltimore, MD PMSA	1,251.3	1,263.9	1,264.4	1,260.8	9.5	0.8
Dallas, TX PMSA	1,933.1	1,927.5	1,926.3	1,926.6	-6.5	-0.3
Fort Worth-Arlington, TX PMSA	791.9	785.1	787.3	786.9	-5.0	-0.6
Houston, TX PMSA	2,117.0	2,107.7	2,115.4	2,121.0	4.0	0.2
Miami, FL PMSA	1,035.5	1,028.0	1,037.8	1,045.2	9.7	0.9
Tampa-St. Petersburg-Clearwater, FL PMSA	1,237.4	1,241.4	1,248.6	1,249.6	12.2	1.0
Washington, DC-MD-VA-WV PMSA	2,826.3	2,852.6	2,864.5	2,864.8	38.5	1.4
<b>Midwest</b>						
Chicago, IL PMSA	4,169.7	4,138.3	4,143.5	4,147.6	-22.1	-0.5
Cleveland-Lorain-Elyria, OH PMSA	1,127.4	1,115.0	1,113.5	1,116.1	-11.3	-1.0
Detroit, MI PMSA	2,077.5	2,071.1	2,071.5	2,058.6	-18.9	-0.9
Kansas City, MO-KS MSA	949.2	942.6	943.2	939.2	-10.0	-1.1
Minneapolis-St. Paul, MN-WI MSA	1,731.9	1,718.6	1,724.7	1,722.4	-9.5	-0.5
St. Louis, MO-IL MSA	1,309.7	1,302.3	1,303.2	1,305.2	-4.5	-0.3
<b>West</b>						
Denver, CO PMSA <sup>1</sup>	1,147.5	1,157.8	1,156.6	1,157.9	10.4	0.9
Los Angeles-Long Beach, CA PMSA	4,056.6	4,021.6	4,026.0	4,035.3	-21.3	-0.5
Oakland, CA PMSA	1,053.9	1,046.1	1,047.0	1,047.7	-6.2	-0.6
Orange County, CA PMSA	1,418.5	1,411.0	1,415.0	1,419.4	0.9	0.1
Phoenix-Mesa, AZ MSA	1,613.5	1,630.7	1,646.4	1,653.3	39.8	2.5
Portland-Vancouver, OR-WA PMSA	939.4	925.8	927.1	927.6	-11.8	-1.3
Riverside-San Berardino, CA PMSA	1,075.6	1,084.1	1,089.2	1,090.4	14.8	1.4
San Diego, CA MSA	1,237.4	1,236.9	1,236.4	1,238.1	0.7	0.1
San Francisco, CA PMSA	982.5	971.3	972.4	972.0	-10.5	-1.1
Seattle-Bellevue-Everett, WA PMSA	1,358.6	1,351.6	1,356.6	1,355.5	-3.1	-0.2

<sup>1</sup> Data for 2003 are not directly comparable with data for previous years because of a change in metropolitan area definitions.

(p) = preliminary

NOTE: Data are counts of jobs by place of work. Estimates are currently projected from March 2002 benchmark levels. Estimates subsequent to the current benchmark are provisional and will be revised when new information becomes available. Changes in levels were calculated using unrounded numbers.

### Technical Note

This release presents employment and unemployment data from the Local Area Unemployment Statistics (LAUS) program (tables A, 1, and 3) and nonfarm payroll employment estimates from the Current Employment Statistics (CES) program (tables A, 2, and 4) for the 30 largest metropolitan areas. A Consolidated Metropolitan Statistical Area contains two or more Primary Metropolitan Statistical Areas. Metropolitan areas that are not part of a Consolidated Metropolitan Statistical Area are referred to as Metropolitan Statistical Areas. The rankings were based on population estimates for Metropolitan Statistical Areas and Primary Metropolitan Statistical Areas collected by the U.S. Census Bureau in 2000. The LAUS and CES programs are both Federal-State cooperative endeavors.



## **Labor force and unemployment—from the LAUS program**

**Definitions.** The labor force and unemployment data are based on the same concepts and definitions as those used for the official national estimates obtained from the Current Population Survey (CPS), a sample survey of households that is conducted for the Bureau of Labor Statistics (BLS) by the U.S. Census Bureau. The labor force includes both the employed and the unemployed. Employed persons are those who did any work at all for pay or profit in the survey reference week (the week including the 12th of the month) or worked 15 hours or more without pay in a family business or farm, plus those not working who have a job from which they were temporarily absent, whether or not paid, for such reasons as labor-management dispute, illness, or vacation. Unemployed persons are those who did not work at all (in the reference week), have actively looked for a job (sometime in the 4-week period ending with the survey reference week), and are currently available for work; persons on layoff expecting recall need not be looking for work to be counted as unemployed.

**Method of estimation.** Effective January 1996, estimates for all states, the District of Columbia, the Los Angeles-Long Beach metropolitan area, and New York City are produced using estimating equations based on regression techniques. For all other substate areas, estimates are prepared through indirect estimation procedures. Employment estimates, which are based largely on "place of work" estimates from the CES program, are adjusted to refer to place of residence as used in the CPS. Unemployment estimates are aggregates of persons previously employed in industries covered by state unemployment (UI) laws and entrants to the labor force from the CPS. The substate estimates of employment and unemployment that geographically exhaust the entire state are adjusted proportionally to ensure that they add to the independently estimated state totals. A detailed description of the estimation procedures is available from BLS upon request.

**Annual revisions.** Labor force and unemployment data shown for the prior year reflect adjustments made at the end of each year, usually with January estimates. The adjusted estimates reflect updated population data from the U.S. Census Bureau and any revisions in the other data sources. In addition, data for all states, the District of Columbia, and the two large substate areas noted are adjusted annually to equal the CPS annual averages, usually effective with January estimates. All other substate estimates are adjusted to add to the revised (benchmarked) state estimates.

## **Employment—from the CES program**

**Definitions.** Employment data refer to persons on establishment payrolls who receive pay for any part of the pay period which includes the 12th of the month. Persons are counted at their place of work rather than at their place of residence; those appearing on more than one payroll are counted on each payroll. Industries are classified on the basis of their principal activity in accordance with the 2002 version of the North American Industry Classification System.

**Method of estimation.** The employment data are estimated using a "link relative" technique in which a ratio (link relative) of current-month employment to that of the previous month is computed from a sample of establishments reporting for both months. The estimates of employment for the current month are obtained by multiplying the estimates for the previous month by these ratios. Small-domain models are used as the official estimators for approximately 10 percent of CES published series.

**Annual revisions.** Employment estimates are adjusted annually to a complete count of jobs, called benchmarks, derived principally from tax reports which are submitted by employers who are covered under state unemployment insurance (UI) laws. The benchmark information is used to adjust the monthly estimates between the new benchmark and the preceding one and also to establish the level of employment for the new benchmark month. Thus, the benchmarking process establishes the level of employment, and the sample is used to measure the month-to-month changes in the level for the subsequent months.

### **Reliability of the estimates**

The estimates presented in this release are based on sample survey and administrative data and thus are subject to sampling and other types of errors. Sampling error is a measure of sampling variability--that is, variation that occurs by chance because a sample rather than the entire population is surveyed. Survey data are also subject to nonsampling errors, such as those which can be introduced into the data collection and processing operations. Estimates not directly derived from sample surveys are subject to additional errors resulting from the special estimation processes used. The sums of individual items may not always equal the totals shown in the same tables because of rounding. With respect to the LAUS program, unemployment rates are computed, in most instances, from unrounded data rather than from data that may be displayed in the tables; differences, however, are generally insignificant.

**Labor force and unemployment estimates.** Measures of sampling error, in the form of the standard errors for state annual average estimates derived from the CPS, are available in the annual BLS bulletin, *Geographic Profile of Employment and Unemployment*. Error measures cannot be computed for substate areas because of the special estimation processes used. Measures of nonsampling error for CPS data are not available, but additional information on the subject is provided in the BLS monthly periodical, *Employment and Earnings*.

**Employment estimates.** Measures of sampling error are available for state CES data at the NAICS supersector level and for metropolitan area CES data at the total nonfarm level. Information on recent benchmark revisions for states is available on the BLS Web site at (<http://www.bls.gov/sae/>).

**Area definitions.** The substate area data published in this release reflect the standards and definitions established by the U.S. Office of Management and Budget, dated June 30, 1999. A detailed list of the geographic definitions is published annually in the May issue of *Employment and Earnings*.

### **Additional information**

More complete information on the technical procedures used to develop these estimates and additional data appear in *Employment and Earnings*, which is available by subscription from the Superintendent of Documents, U.S. Government Printing Office, Washington, DC 20402 (telephone 202-512-1800).

Estimates of unadjusted and seasonally adjusted labor force and unemployment data for states, census regions and divisions, and two areas are available in two news releases, the Regional and State Employment and Unemployment release and the Metropolitan Area release. Estimates of labor force and unemployment for all states, metropolitan areas, labor market areas, counties, cities with a population of 25,000 or more, and other areas used in the administration of various federal economic assistance programs are available from the BLS Internet at (<http://www.bls.gov/lau/>). Industry employment data for states and metropolitan areas from the CES program are also available in the above mentioned news releases and from the Internet at (<http://www.bls.gov/sae/>).

Information in this release will be made available to sensory impaired individuals upon request. Voice phone: 202-691-5200; TDD message referral phone: 1-800-877-8339.